



CITY OF DURHAM | NORTH CAROLINA

Date: September 2, 2012

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Kevin Dick, Director, Office of Economic and Workforce Development
Nicholas McCoy, Senior Workforce Development Manager

Subject: Fourth Contract Amendment with General Management Solutions Inc. to provide Workforce Investment Act Adult and Dislocated Worker Services from October 1, 2010 – September 30, 2013.

Executive Summary

This memorandum outlines a recommendation to renew the current contract with General Management Solutions Inc. (GMSI) from October 1, 2012 to September 30, 2013 and increase the amount of the contract by \$741,000.00 to provide Workforce Investment Act (WIA) Adult and Dislocated Worker services for up to 490 WIA eligible adults and dislocated workers. Approval of this contract amendment will allow uninterrupted services to be provided to WIA adults and dislocated workers beyond the existing contractual completion date (set to expire on September 30, 2012). The total contract amount will not exceed \$2,661,227.00 with this amendment.

Recommendation

The Office of Economic and Workforce Development (OEWD) recommends that City Council authorize the City Manager to execute a contract amendment with GMSI and increase the amount of the contract by \$741,000.00 to provide uninterrupted adult and dislocated worker services from October 1, 2012 through September 30, 2013.

Background

As a result of the Request for Proposals (RFP) that closed on May 20, 2010, the Durham Workforce Development Board (DWDB) at their July 29, 2010 board meeting, unanimously approved the WIA Adult Review Panel and DWDB Executive Committee's recommendation that GMSI be awarded a (new) contract to operate the adult program, from October 1, 2010 to September 30, 2011, in an amount not to exceed \$825,000.00, renewable annually for up to two additional years based on performance and funding availability.

Service Delivery and Performance

GMSI was awarded the contract to provide employment and training services for WIA eligible adults and dislocated workers that included:

- Case Management

- Determination of eligibility to receive assistance under the Title I-B of the Workforce Investment Act.
- Outreach, intake, and orientation to the information and other services available through the one-stop delivery system.
- Initial assessment of skill levels, aptitudes, abilities and supportive service needs
- Labor market information
- Intensive Services as defined by WIA regulations
- Referrals to other intensive, supportive and WIA training services, as needed;
- Job referral and placement assistance; and
- Follow-up services after exit for participants in employment in need of additional assistance to retain employment.

The current contract with General Management Solutions, Inc. is for \$1,920,227.00 and expires September 30, 2012. This contract resulted from the RFP that was released in May 2010 and awarded to GMSI in July 2010; amended in May, 2011 (1st Contract Amendment) to award GMSI an additional \$90,000.00 in state WIA On-the-Job Training (OJT) funds to provide up to 25 participants OJT services; amended October, 2011 (2nd Contract Amendment) to award GMSI an additional \$815,227.00 in WIA funds to renew (year 2 of 3) their operations of the Adult & Dislocated Worker program through September 2012; and further amended in May, 2012 (3rd Contract Amendment) to award GMSI an additional \$190,000.00 in state OJT funds to provide an additional 25-50 participants with OJT services.

Issues & Analysis

GMSI has contributed to the Adult (AW) and Dislocated (DW) worker program in being on pace to meet and/or exceed state performance goals for the previous year. GMSI's work in recruiting participants; providing sound and rational individual service strategies; and providing comprehensive guidance and counseling, supportive services, occupational skills training and referrals; has helped the region meet the following performance outcomes (based upon the Workforce Investment Act Common Measures) for Program Year 11 (July 1, 2011-June 30, 2012):

Performance Measure	Actual Performance	2011 Performance Goals	Variance (% of goal)
Entered Employment –AW	76.00%	72.72%	104.51%
Entered Employment - DW	77.88%	80.95%	96.20%
Retention Rate – AW	84.91%	82.14%	103.37%
Retention Rate - DW	88.89%	92.71%	95.88%
Average Earnings - AW	\$11,700.69	\$10,111.00	115.72%
Average Earnings - DW	\$14,393.22	\$13,882.00	103.68%

Funding Considerations

- The current contract with General Management Solutions, Inc. is for \$1,920,227.00 and expires September 30, 2012. This contract resulted from the RFP that was

released in May 2010 and awarded to GMSI in July 2010; renewable annually up to two additional years based upon performance and funding availability.

- . OEWD determined that GMSI met the performance under the FY12 contract, and has made a recommendation to the DWDB to renew the contract (year 3 of 3) with GMSI for a final renewal from October 1, 2012 to September 30, 2013 based on performance.
- . DWDB is recommending to renew the contract with GMSI and increase the amount of the contract by \$741,000.00 to provide up to 490 WIA eligible adults and dislocated workers with employment and training services from October 1, 2012 to September 30, 2013.
- . A contract renewal with GMSI will provide uninterrupted services to WIA eligible adults and dislocated workers currently enrolled in the program.
- . OEWD anticipates releasing a new RFP in early 2013 to identify a contractor to operate the Adult and Dislocated Worker program following the expiration of this contract renewal (set to expire September 30, 2013).

Alternatives

The City Council could elect to not enter into and/or renew a contract with GMSI leaving the City without a provider of the services outlined in the background section for the adult and dislocated worker program, and forcing the City to advertise for proposals or directly manage the program until a new provider is identified. If another provider is not identified through the RFP process, this would require the Office of Economic and Workforce Development to directly manage the program which is inconsistent with the language in the federal Workforce Investment Act that states that WIA services should be provided under contract or voucher.

The City Council could also elect to reduce the amount of the proposed contract renewal with GMSI which could result in fewer services provided to WIA eligible adults and dislocated workers and/or result in less individuals being served under this contract from October 1, 2012 – September 30, 2013.

Financial Impact

GMSI would be approved for payments of up to \$2,661,227.00. Funds for this contract will have no impact on the City of Durham General Fund. Funds for this contract are paid with WIA Adult and Dislocated Worker dollars that are received by OEWD from the United States Department of Labor through the North Carolina Department of Commerce *Division of Workforce Solutions* to the City and the DWDB.

SDBE Summary

An SDBE summary is inapplicable because no project-specific goals have been set and no SDBEs are involved in this item.

Attachment

Fourth contract Amendment with General Management Solutions Inc. to Provide WIA Adult and Dislocated Worker Services.